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CHAPTER 5: PAYMENT

SWING BED FACILITY PAYMENT BASED ON THE SKILLED NURSING FACILITY PROSPECTIVE PAYMENT SYSTEM (SNF PPS)

OBJECTIVE

The objective of this chapter is to provide the information that participants need to compute the payment due to a swing bed facility under the Skilled Nursing Facility Prospective Payment System (SNF PPS).

Participants will learn the following about the swing bed PPS in the course of this chapter.

- It covers all costs of furnishing covered swing bed extended care services (routine, ancillary and capital-related costs) other than costs associated with operating approved educational activities
- It applies to short term hospitals, long term hospitals, and rehabilitation hospitals certified as swing bed hospitals. **Critical Access Hospitals (CAHs) with swing beds are exempt from the SNF PPS**
- The PPS payment methodology is effective for **cost reporting periods** beginning on or after July 1, 2002
- Swing bed services reimbursed under the SNF PPS will be paid at the full Federal rate. These rates are based on cost reports for periods that began in fiscal year (FY) 1995, with an estimate for the cost of Part B services rendered in the same periods
- The Federal rate is adjusted for case-mix, based on the Resource Utilization Groups, phase III (RUG-III), and area wage differences, based on the hospital wage index that is used for the hospital PPS

SWING BED FACILITY PAYMENT UNDER THE SNF PPS

Swing Bed PPS

- Cost reporting periods beginning on or after July 1, 2002
- Payment no longer based on cost
- Payment will be through a Prospective Payment System

Section 4432(a) of the Balanced Budget Act of 1997 (BBA-97), specifies that swing bed facilities must be incorporated into the Skilled Nursing Facility Prospective Payment System (SNF PPS) by the end of the statutory transition period. Effective with **cost reporting periods beginning on or after July 1, 2002**, swing bed claims will no longer be paid based on the current cost-related method, but rather on the basis of the SNF PPS.

The PPS applies to:

- Most post-hospital inpatient services
- All non-excluded items and services furnished to a beneficiary during a part A covered stay that were considered Part B services prior to July 1, 1998

The PPS does not include those Part B services that are excluded by the Social Security Act. The following services are excluded by law from both PPS and Consolidated Billing:

- Physicians' services to a SNF resident
- Physician assistants working under a physician's supervision
- Nurse practitioners and clinical nurse specialists working in collaboration with a physician
- Certain nurse-midwife services
- Qualified psychologist services
- Certified registered nurse anesthetist services
- Home dialysis supplies, equipment and self-care support services
- Institutional dialysis services and supplies
- Erythropoietin (EPO) for certain dialysis patients
- Hospice care related to a beneficiary's terminal condition
- An Ambulance trip that transports a beneficiary to the SNF for the initial admission or from the SNF following a final discharge

The swing bed program does not include an Inpatient Part B benefit. For beneficiaries who continue to receive extended care services after the end of a Part A stay (e.g., benefits exhausted, not receiving skilled level of care), ancillary services may be billed under the **hospital** provider number as Inpatient Part B services. (PM A-02-016, CR 1666) Therefore, reimbursement for all exclusions and preventive care will be made under the hospital provider number as Part B services.

Overall Design

Federal rates provide a per diem payment for all the costs of services furnished in a swing bed facility to a Medicare beneficiary who has Part A coverage.

The Federal rates are:

Federal Rates:

- Per diem payment
 - Based on mean SNF costs for cost reports beginning in FY 1995
 - Hospital wage index
 - Case-mix RUG-III
 - SNF market basket *
- Based on mean SNF costs in cost reporting periods beginning in FY 1995
 - Adjusted using a hospital wage index to account for geographic differences in wage levels
 - Adjusted to reflect the relative resources required in treating different patients using case mix indices into standardized resource utilization groups (RUGs)
 - Updated for inflation, using the SNF market basket, which was re-based and revised to use 1997 data in the *SNF PPS Final Rule* published July 31, 2001

Medicare beneficiaries in a swing bed facility are classified into one of 44 mutually exclusive case mix groups using data from the Minimum Data Set (MDS) Resident Assessment Instrument (RAI) that all SNFs are required to report to their states. The 44 groups are known as RUG-III. Swing bed facilities will use an MDS revised specifically for use in swing beds, known as the SB-MDS.

Covered Costs:

- Routine
- Ancillary
- Capital-related

COVERED COSTS

The following costs are included in the Federal rate.

- Routine service costs
- Ancillary service costs
- Capital-related costs of swing bed facility services

EDUCATION PASS-THROUGH COSTS

Approved education costs under 42 CFR 413.85, including nursing and paramedical education, are paid on a pass-through, cost-reimbursed basis.

Graduate Medical Education (GME) is included in the hospital per resident payment, and is paid to the hospital in accordance with 42 CFR 413.86.

Therefore, GME is **not** a pass-through cost for the swing bed facility.

Full Federal Rate

- Cost reporting periods that begin on or after July 1, 2002

TRANSITION

SNF PPS for swing bed providers will be phased in per provider based on their fiscal year start date.

This transition period will start on the first day of the individual provider's cost report year that begins on or after July 1, 2002.

DEVELOPMENT OF FEDERAL RATES

When initially developing SNF PPS, CMS determined the Federal rates using the following factors:

- Allowable costs from hospital-based and freestanding SNF cost reports for reporting periods beginning in FY 1995
- An estimate of the amounts that would be payable under Part B for covered services

These two factors were updated by the SNF market basket. In addition, the rates were standardized for costs of facility differences in case-mix and for geographic variations in wages.

Then the Federal rates were set at a level equal to the weighted mean of freestanding costs plus 50 percent of the difference between the freestanding mean and weighted mean of all SNF costs (hospital-based and freestanding) combined. For additional historical information, see the appendix titled, *History of SNF PPS Federal Rate Components*.

Adapting The Federal Rate For SB-PPS

Once the base Federal rate was determined, CMS computed separate payment rates for urban and rural facilities.

The set Federal rate per RUG-III group is then adjusted for facility-specific factors to determine the payment rate. A wage index adjustment is applied to the portion of the Federal rate attributable to wage-related costs.

In addition, an adjustment is made to account for facility case-mix, using a classification system that accounts for the relative resource utilization of different patient types (RUG-III).

Legislation Impacting The Federal Rates

Three pieces of legislation have impacted the Federal rate, resulting in changes. They include the following:

- *Balanced Budget Act of 1997(BBA)*
- *Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (BBRA)*
- *Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA)*

BBA Required Publishing:

- Federal rates
- Case mix indices
- Area wage indices

BBA

The BBA required the following to be published in the *Federal Register* to update the SNF PPS annually:

- Unadjusted Federal per diem rates
- Case-mix classification system
- Area wage adjustment factors

BBRA

The BBRA provided for the following adjustments to the SNF PPS rates:

- A temporary 20 percent increase in the adjusted rates for 15 RUG-III groups
- A 4 percent increase in the adjusted rates each year for FY 2001 and FY 2002, exclusive of the 20 percent (this provision sunsets on October 1, 2002)

BBRA provisions:

- 20% increase to 15 RUG-III groups
- 4% overall increase

BIPA provisions:

- Exemption of CAHs from swing bed PPS
- Change to market basket update
 - 1st half of FY 2001 = market basket-1
 - 2nd half of FY 2001 = market basket +1
 - FY 2002 and FY 2003 = market basket-0.5
- 16.66% increase in nursing component
- Repeals Part B Consolidated Billing

BIPA

The BIPA provided the following changes to the SNF PPS:

- Exemption of Critical Access Hospital (CAH) swing beds from SNF PPS
- Elimination of the reduction in SNF market basket update in 2001
 - For purposes of making payment for FY 2001:
 - The first half of FY 2001 (October 1, 2000 through March 31, 2001), the market basket update remains at market basket minus 1.0
 - The second half of FY 2001 (April 1, 2001 through September 30, 2001), the market basket update changes from market basket minus 1.0 to market basket plus 1.0
- Modification to the schedule and rates for FY 2002
 - For FY 2002 and FY 2003, the updates would be the market basket increase minus 0.5 percentage points
- Increase in the nursing component of PPS Federal rate
 - April 1, 2001 – September 30, 2001, 16.66 percent increase in nursing component (this provision sunsets October 1, 2001)
- Limited the Consolidated Billing to Part A covered stays
 - Repeal of Consolidated Billing requirement for Part B services

Wage Index is Based on Hospital Wage Index:

- Labor portion
75.379 %
- Non-labor portion
24.621 %

Wage Index

The cost data are apportioned into labor-related and non-labor related components, based on the relative importance of the different components of the SNF market basket index. The following labor and non-labor percentages were published in the *Federal Register* dated July 31, 2001:

- The labor-related portion of the costs is 75.379 percent.
- The non-labor portion of costs is 24.621 percent.

The wage index values are based on hospital wage data from cost reporting periods beginning in FY 1997.

CMS could not use a SNF wage index because the industry-specific data was not available. CMS has begun collecting data on employee compensation and paid hours of employment in SNFs for the purpose of constructing a SNF wage index. This data is being collected through cost reporting forms CMS-2540-96 and CMS-2552-96, and the provider reimbursement questionnaire, form CMS-339.

Example 1: Calculation Of Rural Rate For Therapy Case Mix RUG-III Group :**Table 2:** National Unadjusted Federal Rate Per Diem – Rural July 31, 2001 Federal Register

Rate Component	Nursing Case Mix	Therapy Case Mix	Therapy Non-Case Mix	Non-Case Mix
Per Diem Amount	132.13	102.96	12.56	61.62

Rural Rate Computation for RUG-III Category: **RUC** (see Table 4)

The nursing and therapy components are computed by multiplying the national rates by the nursing and therapy indexes respectively.

National nursing rate	132.13
Nursing index for RUG-III group RUC	1.30
Nursing component	171.77
National therapy rate	102.96
Therapy index for RUG-III group RUC	2.25
Therapy component	231.66

The non-case mix therapy and non-case mix components are not weighted and so the national rates are used. The non-case mix therapy component is only used for the lower 30 RUG-III groups, where there is no therapy component.

The total rate is the sum of these four components:

Nursing component	171.77
Therapy component	231.66
Non-case mix therapy component	not applicable
Non-case mix component	61.62
Total Rural rate for RUG-III group RUC	465.05

See Table 4 for the complete table for all RUG-III components and Federal rates for each rural RUG-III group.

Example 2: Calculation Of Rural Rate For Therapy Non-case Mix RUG-III Group:**Table 2:** National Unadjusted Federal Rate Per Diem – Rural July 31, 2001 Federal Register

Rate Component	Nursing Case Mix	Therapy Case Mix	Therapy Non-Case Mix	Non-Case Mix
Per Diem Amount	132.13	102.96	12.56	61.62

Rural Rate Computation for RUG-III category: **SE3** (see Table 4)

The nursing and therapy components are computed by multiplying the national rates by the nursing and therapy indexes respectively.

National nursing rate	132.13
Nursing index for RUG-III group SE3	1.70
Nursing component	224.62

National therapy rate	not applicable
Therapy index for RUG-III group SE3	not applicable
Therapy component	not applicable

The non-case mix therapy and non-case mix components are not weighted and so the national rates are used. The non-case mix therapy component is only used for the lower 30 RUG-III groups, where there is no therapy component.

The total rate is the sum of these four components:

Nursing component	224.62
Therapy component	not applicable
Non-case mix therapy component	12.56
Non-case mix component	61.62
Total Rural rate for RUG-III group SE3	298.80

See Table 4 for the complete table for all RUG-III components and Federal rates for each rural RUG-III group.

Example 3: Calculation Of Urban Rate For Therapy Non-Case Mix RUG-III Group:**Table 1:** National Unadjusted Federal Rate Per Diem – Urban July 31, 2001 Federal Register

Rate Component	Nursing Case Mix	Therapy Case Mix	Therapy Non-Case Mix	Non-Case Mix
Per Diem Amount	138.29	89.29	11.76	60.50

Urban Rate Computation for RUG-III category: **SE2** (see Table 3)

The nursing and therapy components are computed by multiplying the national rates by the nursing and therapy indexes respectively.

National nursing rate	138.29
Nursing index for RUG-III group SE2	1.39
Nursing component	192.22

National therapy rate	not applicable
Therapy index for RUG-III group SE2	not applicable
Therapy component	not applicable

The non-case mix therapy and non-case mix components are not weighted and so the national rates are used. The non-case mix therapy component is only used for the lower 30 RUG-III groups, where there is no therapy component.

The total rate is the sum of these four components:

Nursing component	192.22
Therapy component	not applicable
Non-case mix therapy component	11.76
Non-case mix component	60.50
Total Urban rate for RUG-III group SE2	264.48

See Table 3 for the complete table for all RUG-III components and Federal rates for each urban RUG-III group.

Table 4: Case-Mix Adjusted Federal Rates And Associated Indices – Rural
July 31, 2001 Federal Register

RUG-III Category	Nursing Index	Therapy Index	Nursing Component	Therapy Component	Non-case mix Therapy Component	Non-case mix Component	Total Rate
RUC	1.30	2.25	171.77	231.66		61.62	465.05
RUB	0.95	2.25	125.52	231.66		61.62	418.80
RUA	0.78	2.25	103.06	231.66		61.62	396.34
RVC	1.13	1.41	149.31	145.17		61.62	356.10
RVB	1.04	1.41	137.42	145.17		61.62	344.21
RVA	0.81	1.41	107.03	145.17		61.62	313.82
RHC	1.26	0.94	166.48	96.78		61.62	324.88
RHB	1.06	0.94	140.06	96.78		61.62	298.46
RHA	0.87	0.94	114.95	96.78		61.62	273.35
RMC	1.35	0.77	178.38	79.28		61.62	319.28
RMB	1.09	0.77	144.02	79.28		61.62	284.92
RMA	0.96	0.77	126.84	79.28		61.62	267.74
RLB	1.11	0.43	146.66	44.27		61.62	252.55
RLA	0.80	0.43	105.70	44.27		61.62	211.59
SE3	1.70		224.62		12.56	61.62	298.80
SE2	1.39		183.66		12.56	61.62	257.84
SE1	1.17		154.59		12.56	61.62	228.77
SSC	1.13		149.31		12.56	61.62	223.49
SSB	1.05		138.74		12.56	61.62	212.92
SSA	1.01		133.45		12.56	61.62	207.63
CC2	1.12		147.99		12.56	61.62	222.17
CC1	0.99		130.81		12.56	61.62	204.99
B2	0.91		120.24		12.56	61.62	194.42
CB1	0.84		110.99		12.56	61.62	185.17
CA2	0.83		109.67		12.56	61.62	183.85
CA1	0.75		99.10		12.56	61.62	173.28
IB2	0.69		91.17		12.56	61.62	165.35
IB1	0.67		88.53		12.56	61.62	162.71
IA2	0.57		75.31		12.56	61.62	149.49
IA1	0.53		70.03		12.56	61.62	144.21
BB2	0.68		89.85		12.56	61.62	164.03
BB1	0.65		85.88		12.56	61.62	160.06
BA2	0.56		73.99		12.56	61.62	148.17
BA1	0.48		63.42		12.56	61.62	137.60
PE2	0.79		104.38		12.56	61.62	178.56
PE1	0.77		101.74		12.56	61.62	175.92
PD2	0.72		95.13		12.56	61.62	169.31
PD1	0.70		92.49		12.56	61.62	166.67
PC2	0.65		85.88		12.56	61.62	160.06
PC1	0.64		84.56		12.56	61.62	158.74
PB2	0.51		67.39		12.56	61.62	141.57
PB1	0.50		66.07		12.56	61.62	140.25
PA2	0.49		64.74		12.56	61.62	138.92
PA1	0.46		60.78		12.56	61.62	134.96

Table 3: Case-Mix Adjusted Federal Rates And Associated Indices – Urban
July 31, 2001 Federal Register

RUG-III Category	Nursing Index	Therapy Index	Nursing Component	Therapy Component	Non-case mix Therapy Component	Non-case mix Component	Total Rate
RUC	1.30	2.25	179.78	200.90		60.50	441.18
RUB	0.95	2.25	131.38	200.90		60.50	392.78
RUA	0.78	2.25	107.87	200.90		60.50	369.27
RVC	1.13	1.41	156.27	125.90		60.50	342.67
RVB	1.04	1.41	143.82	125.90		60.50	330.22
RVA	0.81	1.41	112.01	125.90		60.50	298.41
RHC	1.26	0.94	174.25	83.93		60.50	318.68
RHB	1.06	0.94	146.59	83.93		60.50	291.02
RHA	0.87	0.94	120.31	83.93		60.50	264.74
RMC	1.35	0.77	186.69	68.75		60.50	315.94
RMB	1.09	0.77	150.74	68.75		60.50	279.99
RMA	0.96	0.77	132.76	68.75		60.50	262.01
RLB	1.11	0.43	153.50	38.39		60.50	252.39
RLA	0.80	0.43	110.63	38.39		60.50	209.52
SE3	1.70		235.09		11.76	60.50	307.35
SE2	1.39		192.22		11.76	60.50	264.48
SE1	1.17		161.80		11.76	60.50	234.06
SSC	1.13		156.27		11.76	60.50	228.53
SSB	1.05		145.20		11.76	60.50	217.46
SSA	1.01		139.67		11.76	60.50	211.93
CC2	1.12		154.88		11.76	60.50	227.14
CC1	0.99		136.91		11.76	60.50	209.17
CB2	0.91		125.84		11.76	60.50	198.10
CB1	0.84		116.16		11.76	60.50	188.42
CA2	0.83		114.78		11.76	60.50	187.04
CA1	0.75		103.72		11.76	60.50	175.98
IB2	0.69		95.42		11.76	60.50	167.68
IB1	0.67		92.65		11.76	60.50	164.91
IA2	0.57		78.83		11.76	60.50	151.09
IA1	0.53		73.29		11.76	60.50	145.55
BB2	0.68		94.04		11.76	60.50	166.30
BB1	0.65		89.89		11.76	60.50	162.15
BA2	0.56		77.44		11.76	60.50	149.70
BA1	0.48		66.38		11.76	60.50	138.64
PE2	0.79		109.25		11.76	60.50	181.51
PE1	0.77		106.48		11.76	60.50	178.74
PD2	0.72		99.57		11.76	60.50	171.83
PD1	0.70		96.80		11.76	60.50	169.06
PC2	0.65		89.89		11.76	60.50	162.15
PC1	0.64		88.51		11.76	60.50	160.77
PB2	0.51		70.53		11.76	60.50	142.79
PB1	0.50		69.15		11.76	60.50	141.41
PA2	0.49		67.76		11.76	60.50	140.02
PA1	0.46		63.61		11.76	60.50	135.87

Table 6: FY 2002 Case-Mix Adjusted Federal Rates For Rural SNFs By Labor And Non-Labor Component

July 31, 2001 Federal Register

RUG-III Group	Labor Related	Non-Labor Portion	Total Federal Rate
RUC	350.55	114.50	465.05
RUB	315.69	103.11	418.80
RUA	298.76	97.58	396.34
RVC	268.42	87.68	356.10
RVB	259.46	84.75	344.21
RVA	236.55	77.27	313.82
RHC	244.89	79.99	324.88
RHB	224.98	73.48	298.46
RHA	206.05	67.30	273.35
RMC	240.67	78.61	319.28
RMB	214.77	70.15	284.92
RMA	201.82	65.92	267.74
RLB	190.37	62.18	252.55
RLA	159.49	52.10	211.59
SE3	225.23	73.57	298.80
SE2	194.36	63.48	257.84
SE1	172.44	56.33	228.77
SSC	168.46	55.03	223.49
SSB	160.50	52.42	212.92
SSA	156.51	51.12	207.63
CC2	167.47	54.70	222.17
CC1	154.52	50.47	204.99
CB2	146.55	47.87	194.42
CB1	139.58	45.59	185.17
CA2	138.58	45.27	183.85
CA1	130.62	42.66	173.28
IB2	124.64	40.71	165.35
IB1	122.65	40.06	162.71
IA2	112.68	36.81	149.49
IA1	108.70	35.51	144.21
BB2	123.64	40.39	164.03
BB1	120.65	39.41	160.06
BA2	111.69	36.48	148.17
BA1	103.72	33.88	137.60
PE2	134.60	43.96	178.56
PE1	132.61	43.31	175.92
PD2	127.62	41.69	169.31
PD1	125.63	41.04	166.67
PC2	120.65	39.41	160.06
PC1	119.66	39.08	158.74
PB2	106.71	34.86	141.57
PB1	105.72	34.53	140.25
PA2	104.72	34.20	138.92
PA1	101.73	33.23	134.96

Table 5: FY 2002 Case-Mix Adjusted Federal Rates For Urban SNFs By Labor And Non-Labor Component –
July 31, 2001 Federal Register

RUG-III Group	Labor Related	Non-Labor Portion	Total Federal Rate
RUC	332.56	108.62	441.18
RUB	296.07	96.71	392.78
RUA	278.35	90.92	369.27
RVC	258.30	84.37	342.67
RVB	248.92	81.30	330.22
RVA	224.94	73.47	298.41
RHC	240.22	78.46	318.68
RHB	219.37	71.65	291.02
RHA	199.56	65.18	264.74
RMC	238.15	77.79	315.94
RMB	211.05	68.94	279.99
RMA	197.50	64.51	262.01
RLB	190.25	62.14	252.39
RLA	157.93	51.59	209.52
SE3	231.68	75.67	307.35
SE2	199.36	65.12	264.48
SE1	176.43	57.63	234.06
SSC	172.26	56.27	228.53
SSB	163.92	53.54	217.46
SSA	159.75	52.18	211.93
CC2	171.22	55.92	227.14
CC1	157.67	51.50	209.17
CB2	149.33	48.77	198.10
CB1	142.03	46.39	188.42
CA2	140.99	46.05	187.04
CA1	132.65	43.33	175.98
IB2	126.40	41.28	167.68
IB1	124.31	40.60	164.91
IA2	113.89	37.20	151.09
IA1	109.71	35.84	145.55
BB2	125.36	40.94	166.30
BB1	122.23	39.92	162.15
BA2	112.84	36.86	149.70
BA1	104.51	34.13	138.64
PE2	136.82	44.69	181.51
PE1	134.73	44.01	178.74
PD2	129.52	42.31	171.83
PD1	127.44	41.62	169.06
PC2	122.23	39.92	162.15
PC1	121.19	39.58	160.77
PB2	107.63	35.16	142.79
PB1	106.59	34.82	141.41
PA2	105.55	34.47	140.02
PA1	102.42	33.45	135.87

GROUPER

Development of Claim at Provider:

- Swing bed beneficiary with Part A coverage
- SB-MDS 2.0 assessment
- GROUPER
- Assign RUG-III group
- Submit claim to FI

All data necessary to classify a patient to one of the RUG-III categories is contained in the MDS 2.0. Under PPS, SNFs are required to use the MDS 2.0 as the data source for classification of patients for case mix. The software programs that use the MDS 2.0 to assign patients to the appropriate groups, called groupers, are available from many software vendors. The version that CMS uses is available at no cost from CMS's web site at:

www.hcfa.gov/medicare/hsgb/mds20

A “**customized MDS**” for swing beds has been developed. This new 2-page SB-MDS utilizes a subset of the “full MDS” information currently in use by the SNF. In addition, the SB-MDS data items identify the corresponding field/item on the full MDS.

The customized SB-MDS will include only those items needed for payment and ongoing analysis of the characteristics and service utilization of swing bed patients.

The logic used in the grouper is based on maximization of the RUG-III system. This means that the patient is first assigned to the highest category for which the patient qualifies. The grouper program searches for all other possible groups for which the beneficiary qualifies. Then, using relevant additional criteria, such as activities of daily living (ADL) score, nursing rehabilitation, etc., the patient is assigned to one of the groups within that category.

The grouper assigns patients to the highest-weighted group rather than to the highest group in the hierarchy. This is important because there are rare instances in which a case would qualify for a group that, although higher in the hierarchy, has a lower payment index than a group that is lower in the hierarchy.

The provider uses a grouper program to translate the data from the SB-MDS into a HIPPS code that determines the billing to Medicare. The provider is then responsible for making sure the appropriate HIPPS codes are billed on the claim submitted to Medicare.

PRICER

Claim at FI:

- Edit process
- PRICER
- CWF
- Payment
- PS&R
- Cost Report

When a swing bed PPS claim is received by the Fiscal Intermediary (FI), the SNF PRICER will be used to calculate the daily Medicare rate. In addition, the PRICER calculates the SNF prospective payment associated with each SNF day.

For every revenue code 0022 on the claim, the payment rate for the HIPPS code is multiplied by the number of days (units) associated with that HIPPS code. As indicated in the billing section, the provider will never place an amount in the 'covered charges' or 'non-covered charges' fields on a 0022 revenue line.

PRICER will contain at least the following items:

- RUG-III payment rates
- Wage indices
- Federal per diem rate, split between:
 - Labor portion, and
 - Non-labor portion
- Ability to distinguish a swing bed PPS provider from a provider not subject to PPS

Provider Files

The provider file includes the following information:

- Provider type distinction
- MSA code
- Indicator for proper payment of "Full Federal" rates

Remittance Advice

Existing remittance advice notices will be used for swing bed PPS on a Part A inpatient stay.

Medicare Summary Notices

Existing Medicare Summary Notices (MSN's) will be used for SNF PPS coverage on a swing bed stay.

Provider Statistical And Reimbursement Report (PS&R)

The PS&R changes needed to accommodate swing bed facility payment under the swing bed PPS are currently under development.

Cost Reports

The following items will still be settled through the cost report settlement:

- Bad debts
- MSP primary payor payments for services included in the SNF PPS (i.e., MSP partial payments)
- Approved medical education

The specific cost report form changes needed to accommodate PPS are currently being developed.

PUBLICATION OF INFORMATION ON NON-ADJUSTED FEDERAL RATES

CMS will publish information on updates to the Federal non-adjusted rates in the *Federal Register* before August 1 preceding each succeeding Federal fiscal year. This information includes:

- The standardized Federal rates for each RUG-III group.
- The resident classification system that forms the basis for case mix adjustment, including the designation of the specific RUGs that represent the required SNF level of care.
- The wage index to be applied to days of covered SNF-level services furnished during the fiscal year.